

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT
3 (Page 1 of 2)

DATE
FEB 2 - 2012

TO LEASE NO
GS-11B- 02234

ADDRESS OF PREMISES
1953 Gallows Road
Vienna, VA 22182-3934

**THIS AGREEMENT, made and entered into this date by and between: LR Gallows, LLC
whose address is:**

1101 Connecticut Avenue, NW
Suite 250
Washington, DC 20036-4303

Hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective upon execution by the Government as follows:

This Supplemental Lease Agreement (SLA) Number 3 is issued to establish the lease start date and reflect acceptance by the Government of the premises covered by this Lease as substantially complete effective June 1, 2011.

1. Premises: The premises covered by this Lease consist of 33,293 BOMA Rentable Square Feet (BRSF) [yielding 30,054 ANSI/BOMA Office Area Square Feet (ABOA)] consisting of 1,043 BOMA BRSF / 964 ABOA located on a portion of the 1st floor, and 32,250 BRSF / 29,090 ABOA on the entire second floor of the building at 1953 Gallows Road, Vienna, Virginia 22182-3934. Covered by this Lease are also Ninety-seven (97) parking spaces on a first-come first-serve basis in the building garage or adjacent surface parking.
2. Annual Rent: Subject to abatement of rent as detailed below, the Government shall pay the Lessor the annual rent of \$1,161,319.40 payable at the rate of \$96,776.62 per month in arrears. This annual rent consists of \$25,064.00 [or \$26.00 x 964 ABOA] for the first floor space and \$1,136,255.40 [or \$39.06 x 29,090 ABOA] for the second floor space. Parking shall be at no additional cost to the Government.

Rent Abatement: The Government shall be entitled to abatement of rent in the total amount of \$292,418.53 inclusive of operating costs and amortization of the tenant improvement allowance. This abatement shall be applied against rent for the first three full months of the Lease [i.e. From June 1, 2011 through August 31, 2011] at the rate of \$96,776.62 per month. The remaining abatement balance of \$2,088.67 shall be applied against rent for the 4th month [i.e. From September 1, 2011 through September 30, 2011] with rent due for September 2011 being \$94,687.95 [\$94,687.95 = \$96,776.62 - \$2,088.67]..

Effective October 1, 2011, payment of rent shall resume at the regular rate of \$96,776.62 per month in arrears.

3. Operating Costs: For the purpose of Operating Cost adjustments, in accordance with Paragraph 3.7. of SFO No. 07-016, the first CPI adjustment shall be processed effective June 1, 2012 using the operating cost base included in the above annual rent of \$176,116.44 and the base index of 222.954 for the month of May 2011. The base operating cost amount of \$176,116.44 [\$5.86 x 30,054 ABOA] is inclusive of fees for daytime cleaning services.

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: LR Gallows, LLC

BY [Signature]

SENIOR VICE PRESIDENT
(Title)

IN THE PRESENCE OF (witnessed by:)

[Signature]
(Signature)

1101 CONNECTICUT AVE NW WASHINGTON
(Address)
DC 20036

UNITED STATES OF AMERICA

BY [Signature]

Contracting Officer, GSA, PBS, NCR, Real Estate Division
(Official Title)

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PUBLIC BUILDINGS SERVICE
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No. 3 (Page 2 of 2)

TO LEASE NO.

GS-11B- 02234 CONT.

ADDRESS OF PREMISES: 1953 Gallows Road
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CONTINUED FROM PAGE 1

4. Tenant Improvement Allowance (TIA): The annual rent in Paragraph 2 of this SLA includes the amount of \$283,017.56 to amortize, over the 5-year term of the Lease, a TIA provided by the Lessor in the amount of \$1,238,567.20 as follows:

Space	BRSF	ABOA	Offered TIA per ABOA	TIA Amount	Interest Rate %	TIA with Interest	Annual Amortized Amount	TIA Rate in Rent per BRSF	TIA Rate in Rent per ABOA
2nd floor	32,250	29,090	\$20.00	\$581,800.00	0%	\$581,800.00	\$116,360.00	\$3.61	\$4.00
2nd floor	32,250	29,090	\$22.08	\$642,307.20	10%	\$818,827.79	\$163,765.56	\$5.08	\$5.63
1st floor	1,043	964	\$15.00	\$14,460.00	0%	\$14,460.00	\$2,892.00	\$2.77	\$3.00
Total	33,293	30,054		\$1,238,567.20		\$1,415,087.79	\$283,017.56	\$8.50	\$9.42

5. Real Estate Taxes: For the purpose of Real Estate Tax adjustments required in accordance with Paragraph 3.5. of SFO No. 07-016, the Tax Base Year shall be Calendar Year 2011 established at \$600,190.87. The first tax adjustment shall be calculated by comparing the real estate tax bills for Calendar Year 2012 to real estate tax the bills for Calendar Year 2011 and prorated over seven (7) months covering the period from June 1, 2012 through December 31, 2012. All subsequent tax adjustments shall be calculated by comparing each subsequent Calendar Year to Base Calendar Year 2011 to be paid for that full Calendar Year. For the last year of the lease term, tax adjustment shall be calculated in the same manner, to be prorated over the period covering January 1st through May 31st of that year. The Government percentage of occupancy in the building shall be 12.99% [33,293 BRSF / 256,371 BRSF].
6. Restoration and Maintenance of Exterior Security Cameras: Per this SLA, and upon request by the Government, the Lessor has agreed to install exterior security cameras on the façade of the building. The Government shall be responsible for the costs of installation and maintenance of these cameras, as well as for any leak that might arise from such cameras. Ninety (90) days prior to lease expiration [i.e. prior to March 3, 2016, or March 3, 2021 in case of the exercise by the Government of the 5-year renewal option], the Lessor shall notify the Government, in writing, of the Government's responsibility to cover the costs for the removal of the cameras and restoration of the façade at the Government's expense, supported by a documented proposal for these costs. Upon actual installation of these cameras, a subsequent SLA will be issued to document in detail, the number and exact locations of the cameras with the façade areas to be restored.

All other terms and conditions of the lease shall remain in full force and effect.

This document will not constitute a payment until the date of execution by the Government. As a result, no payment whatsoever are due under this agreement until (30) days after the date of execution. Any amount due thereunder will not accrue interest until that time.

LESSOR

GOV'T